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25 June 1960

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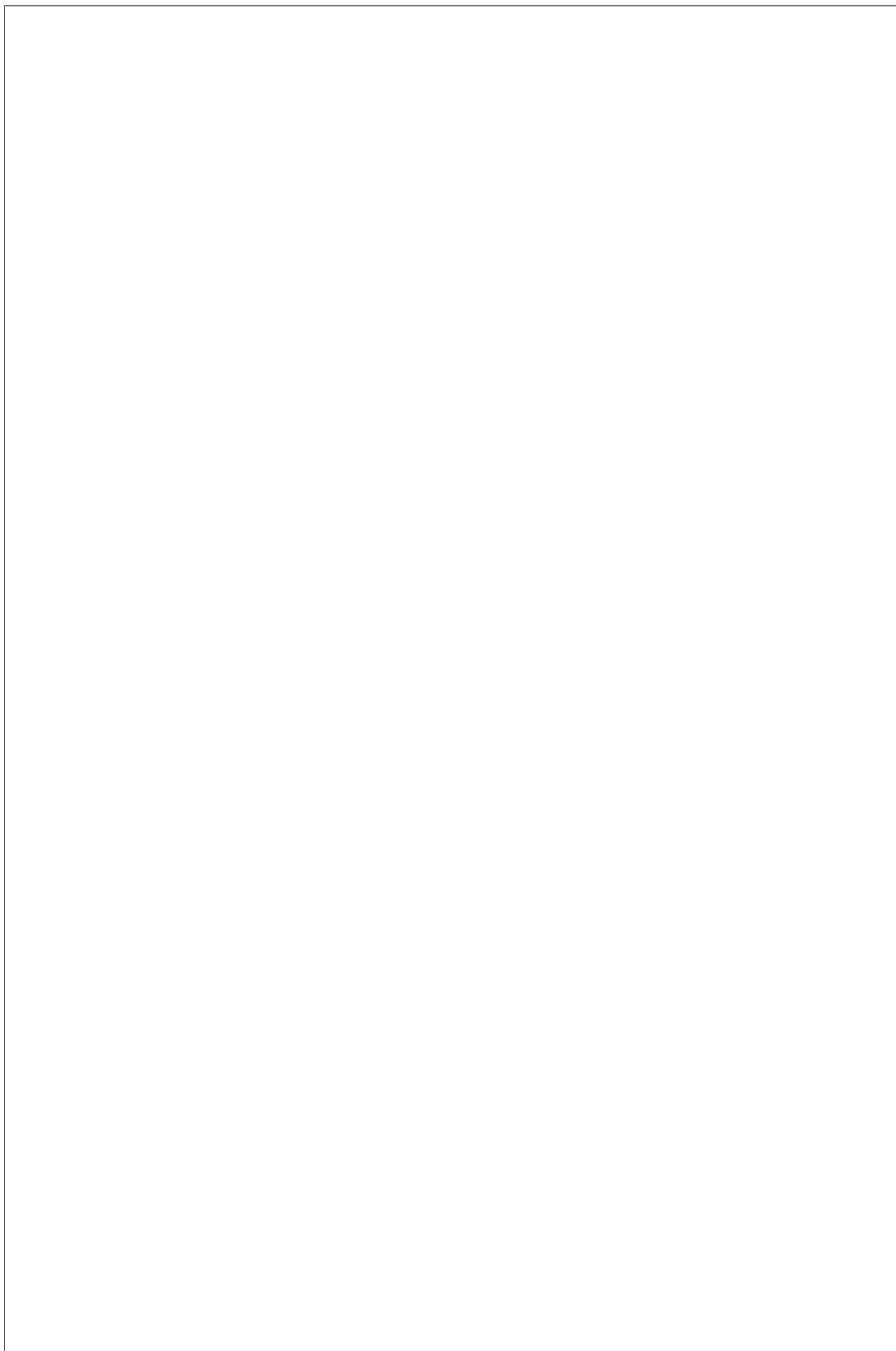
CENTRAL INTELLIGENCE BULLETIN



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25 JUNE 1960

I. THE COMMUNIST BLOC

First Soviet press announcement of demobilization of Soviet army division. ①

II. ASIA-AFRICA

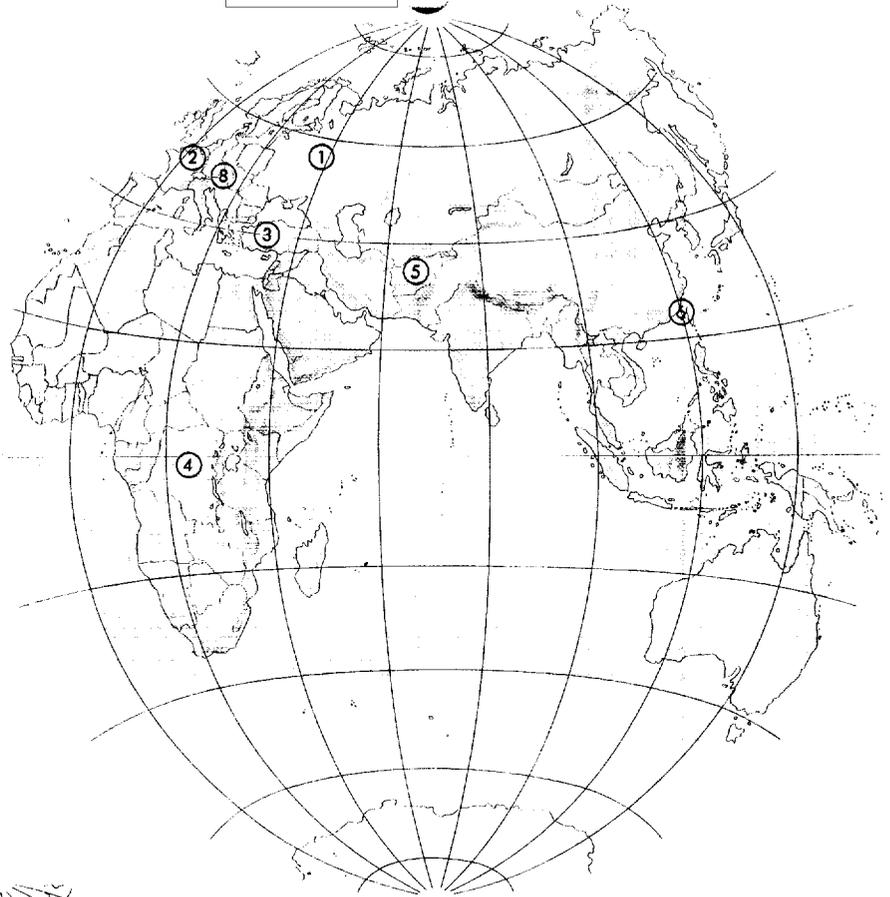
Algerian rebels plan tough line in talks with French. ②

Turkish President declines invitation to Moscow. ③

Approval of Lumumba's cabinet may have ended stalemate but separatist sentiment remains. ④

Afghan prime minister criticizes West's 'lack of understanding.' ⑤

Chinese Nationalist artillery returned fire on 17 June contrary to earlier denials; Communist fire severely damaged Chinmen defenses. ⑥

**III. THE WEST**

⑦ Venezuela insists Trujillo problem must be solved before OAS considers Cuban case.

⑧ Austrian officials deplore Raab's determination to make 'personal triumph' of Khrushchev's visit.

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CENTRAL INTELLIGENCE BULLETIN

25 June 1960

DAILY BRIEF

SIRAB

I. THE COMMUNIST BLOC

OK USSR: The first press announcement of the demobilization of a Soviet army division in the current program of manpower reduction was made by TASS on the morning of 24 June. For the first time the USSR has permitted foreign observation of its troop cuts inside the Soviet Union, with 50 foreign correspondents witnessing an official ceremony disbanding the Fifth Heavy Tank "Korsun" Division. Two trains carrying 1,200 demobilized tankmen were scheduled to leave the Osipovichi railroad station, about 70 miles southeast of Minsk. About 60 percent of the men were said to be returning to their homes; the remainder would be sent "at their own request" to frontier areas in the Asiatic USSR. Reports of activity connected with demobilization or early release of servicemen have become increasingly frequent in recent weeks. There is no evidence that the USSR has altered its demobilization plans following the breakdown of the summit conference.

II. ASIA-AFRICA

NO [Algeria-France: The Algerian rebels, although united on the desirability of cease-fire negotiations, plan to take a tough line in the Paris talks, [redacted]. The rebels reportedly will agree to deposit their arms in specified areas only if the French forces in Algeria are reduced from their present strength of some 600,000 to their pre-revolt strength of 60,000. They reportedly will break off the talks should France attempt to separate the fate of the oil-rich Sahara from that of Algeria as a whole. Paris also will probably adopt a tough initial position, with the emphasis on purely military aspects of a settlement, but will strive to induce rebel confidence in French good faith and lead the rebels to adopt a more flexible position. [redacted]

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NO

[Turkey-USSR: Turkish President-Premier General Cemal Gursel has told the Soviet ambassador in Ankara that he is too busy with domestic problems to accept a recent invitation from Khrushchev to visit Moscow. In addition, Ankara has not responded to recent Soviet approaches regarding economic aid.

NO

[Belgian Congo: The pre-independence governmental stalemate in the Congo may have ended with parliamentary approval of a cabinet by Premier-designate Patrice Lumumba on 24 June. However, the election of Abako leader Joseph Kasavubu as chief of state will check Lumumba's drive to monopolize political power. Lumumba's offer of one cabinet portfolio to the Conakat--the majority party in Katanga Province--has failed to placate advocates of a separate Katanga state, and a secession attempt may be in the offing.] (Page 2)

[Afghanistan: Afghan Prime Minister Daud, in an apparent show of frustration, has told the Turkish ambassador that "the Communists will win everything everywhere" as a result of the West's lack of understanding of Afghanistan's Pushtoon-istan policy,] He attacked the British for failing to keep their alleged promise before the partition of India that they would "restore" to Afghanistan all territory west of the Indus River. Daud complained that the date London set for his visit to Britain would have required him to leave on two days' notice. The British have expressed relief that Daud did not come since it would have produced "nothing but trouble."] (Page 3)

OK

[Nationalist China: Contrary to denials by officials of the Chinese Nationalist Defense Ministry, Nationalist artillery on Chinmen Island fired 1,318 rounds of high explosive on 17 June, probably to sustain the morale of their troops, in retaliation for Communist fire on the eve of the President's visit to Taiwan. Nationalists are disturbed over the effectiveness and concentration of Communist fire, which severely damaged the beach defenses. The army attaché believes that the type of fire used by]

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DAILY BRIEF

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[the Chinese Communists indicates use of the occasion to test the preplanned artillery support that would be used if an amphibious operation were mounted against the island.]

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III. THE WEST

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Venezuela=Cuba=Dominican Republic: Venezuelan officials' long-standing hatred for the Trujillo regime will probably be much intensified as a result of the attempted assassination of President Betancourt on 24 June. The minister of interior has already blamed Trujillo and followers of the former Venezuelan dictator, Perez Jimenez, for the assassination effort. [Three days prior to the attempt, a Venezuelan Foreign Ministry official told Ambassador Sparks that the Trujillo dictatorship problem must be resolved before the Organization of American States occupies itself with Cuba.]

[(Page 5)]

[Austria: Austrian government officials deplore Chancellor Raab's determination to make a "personal triumph" of Khrushchev's visit to Austria which begins on 30 June. They have failed to persuade Raab that he should not seek economic favors from Khrushchev which might result in future demands by the USSR for political and economic concessions disadvantageous to Austria. These officials also fear that Raab's decision to accompany Khrushchev on a four-day tour of the Austrian provinces may prove embarrassing in the event Khrushchev attacks nations friendly to Austria.]

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DAILY BRIEF

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~~SECRET~~Algerian Rebels Plan Tough Stand at Paris

The Algerian rebels, although united on the desirability of cease-fire negotiations with the French, plan to take a tough line in the Paris talks, [redacted]

[redacted] The rebels intend to insist on the withdrawal of all but 60,000 French troops from Algeria, in return for which the rebels will agree to deposit their arms in specified areas following a cease-fire. They also intend to demand assurances that foreign observers can freely investigate any self-determination referendum, and that no attempt will be made to separate the fate of the Algerian Sahara from that of Algeria as a whole. [redacted] [redacted] leaders of the rebellion must have ironclad guarantees that they can return safely to engage in political activity in Algeria.

The extent to which the rebels may be willing to modify these demands--almost none of which appear acceptable to the French in the present form--is unclear. Their position as outlined reportedly has the unanimous approval of the rebel leaders; moderates among their number, however, can be expected to urge caution in breaking off the talks even if the Algerians do not receive satisfaction on every point.

The initial position of Paris is likely to be a tough one. According to official statements, the French will seek to limit discussions to the disposition of arms, the fate of the combatants, and the terms of rebel participation in the arrangements and campaign for an eventual referendum.

Paris will attempt, however, to create a sufficiently favorable atmosphere to encourage rebel acceptance of the idea that France is prepared to bargain in good faith, thus increasing the possibility of flexibility on both sides in prolonged negotiations. [redacted]

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~~SECRET~~Formation of Government Fails to End Congo Crisis

The pre-independence governmental stalemate in the Belgian Congo may have ended with the formation of a government by Premier-designate Patrice Lumumba on 23 June. He obtained the necessary vote of confidence in both legislative chambers the following day, despite mass abstentions in the lower house.

The election of Joseph Kasavubu as chief of state on 24 June, however, over Lumumba's personal choice for the post, will tend to check Lumumba's drive to monopolize the sources of political power in the colony. Kasavubu's election may serve to placate members of his Abako party, who have been hostile to Lumumba and disposed toward secession from the Congo.

Lumumba's offer of one cabinet portfolio to the Conakat--the majority party in mineral-rich Katanga Province--has failed to meet the demands of its leadership. Party chief Tshombe has charged that Lumumba promised him three cabinet posts rather than one and has repeated his threat to take Katanga out of the Congo if his demands are not met in full. Conakat officials had previously indicated to American officials that they were fully prepared to secede on 30 June--the Congo's independence date--if the signs pointed to a "Lumumba dictatorship."

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Afghan Prime Minister Daud Frustrated by West's "Lack Of Understanding"

Afghan Prime Minister Daud, in an apparent show of frustration, has told the Turkish ambassador that "the Communists will win everything everywhere" as a result of the West's lack of understanding of Afghanistan's Pushtoonistan policy,
. Although his frustration seems genuine, he probably hopes that these statements will encourage a more sympathetic attitude on the part of Turkey and its allies.

Daud's mood has probably been partly inspired by Prime Minister Macmillan's recent reiteration of British recognition of the Durand line as the boundary between Afghanistan and Pakistan and by CENTO's condemnation of Khrushchev's strong support for Kabul on the Pushtoonistan issue. Daud apparently believes that the West is interested only in maintaining Afghanistan as a buffer state on the Soviet border and that the only way he can put pressure on the West is by threatening to push his Pushtoonistan policy "to the very end, even though it may result in the destruction of Afghanistan."

Attacking the British for failing to keep their alleged promise before the partition of India that they would "restore" to Afghanistan all territory west of the Indus River, Daud complained that London had set a date for his proposed visit--now canceled--which would have required him to leave on two days' notice. The British, who say they are not willing to make concessions on the Pushtoonistan issue or to give economic aid to Afghanistan, have expressed relief that Daud did not come, since the visit would have produced "nothing but trouble."

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~~SECRET~~Chinese Nationalists Admit Retaliatory Firing on 17 June

Although it had been denied by officials of the Chinese Nationalist Defense Ministry, Nationalist artillery on Chinmen Island fired 1,318 rounds of high explosives on 17 June in retaliation for Communist fire on the eve of the President's visit to Taiwan, probably to sustain troop morale. The Nationalists previously had admitted only selective counterbattery fire on 19 June. There had been an understanding that on 19 June retaliation would be withheld until the President was airborne. Chiang Ching-kuo, Nationalist China's security chief and son of President Chiang Kai-shek, apologized to American officials at the airport departure ceremony for premature firing on 19 June.

Although Nationalist officials have claimed that damage to military installations on the islands was light, the US army attaché believes they are disturbed over the effectiveness and heavy concentration of Communist fire, which severely damaged the beach defenses. A complete damage assessment is not available, but so far the government has reported losses of 13 artillery pieces, 30,000 gallons of diesel fuel, and approximately 10,000 rounds of artillery ammunition. Communist firing appeared to have been well planned, selective, and accurate, with a majority of the rounds landing on the northwest and northeast beaches.

The army attaché believes that the type of fire used by the Communists indicates the occasion served to test the artillery support plan that would be used for any amphibious assault on the island. There is no evidence, however, of a Chinese Communist intention to attack the Chinmens at this time.

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Venezuelan Attitude on the Cuban Problem

Venezuelan officials' long-standing hatred for the Trujillo regime will probably be much intensified by the attempted assassination of President Betancourt on 24 June. The Venezuelan minister of interior has already blamed Trujillo and followers of the former Venezuelan dictator, Perez Jimenez, for the assassination effort.

Three days prior to the attempt a Venezuelan Foreign Ministry official told Ambassador Sparks that the Trujillo dictatorship problem must be resolved before the Organization of American States (OAS) occupies itself with Cuba and that it would be a serious error to bring the Cuban case before the OAS at this time. The Foreign Ministry official spoke in the presence of the Peruvian charge, and Ambassador Sparks received the impression that he was voicing Venezuela's official opinion. The Venezuelan official added that President Betancourt had told the Cuban foreign minister that he would be the first to come to Cuba's defense in the event of foreign intervention, although he considers certain Cuban policies erroneous.

Venezuela's continued insistence that Trujillo must be ousted before action is taken against Castro has particular importance, since Betancourt has been one of the strongest Latin American critics of Fidel Castro. Moreover, this Venezuelan position regarding Trujillo is being maintained despite a progressive deterioration in Venezuelan-Cuban relations, a trend accentuated by Cuba's substitution of USSR oil acquisitions for its customary purchase of Venezuelan oil.

Venezuela's firm adherence to its Trujillo-before-Castro position is likely to be influential in such conservatively oriented countries as Colombia, Ecuador, and Peru, which have in recent weeks broken diplomatic relations with the Dominican Republic, partly because of Venezuela's urging.

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Of Khrushchev's Visit ~~CONFIDENTIAL~~

Austrian government officials deplore Chancellor Raab's determination to make a "personal triumph" of Khrushchev's visit to Austria, 30 June to 8 July. Three members of the cabinet have tried in vain to persuade Raab not to ask economic favors from Khrushchev which in turn might lead the USSR to press for political and economic concessions disadvantageous to Austria.

One concession Raab may seek is a cancellation of compulsory oil deliveries. Under the state treaty settlement of 1955, Austria delivers a million tons of high-grade crude oil to the bloc annually until 1965, an arrangement which was modified in 1958 when Moscow agreed to give half a million tons of a poorer grade of Soviet crude oil in return. Austrian officials, once favorable to a further reduction, now fear the USSR might ask too high a price for such a concession. Finance Minister Kamitz would like to see Austria fulfill all its reparations payments without further bargaining, and maintains that the Austrian economy can well bear the cost. On the other hand, the government is under pressure from many business leaders to increase Austrian trade ties with the bloc in an effort to restore Austrian East-West trade to its prewar proportions, and they hope to explore such prospects during Khrushchev's visit.

Members of Raab's cabinet particularly deplore his decision to accompany Khrushchev on a four-day tour of the Austrian provinces, fearing that this may result in embarrassing situations in the event Khrushchev attacks nations friendly to Austria. Raab has already overridden the recommendations of his advisers to restrict Khrushchev's speaking opportunities in Vienna to a small auditorium and has put the city's newest and largest public hall at the Soviet premier's disposal.

Many Austrians fear Raab will make the same mistakes he did on his Moscow visit in 1958, when he became effusive over Austro-Soviet friendship and the need for greater cultural exchanges. Raab, however, has always regarded this visit as a great personal success and feels he knows how to exercise a restraining influence on Khrushchev. The chancellor considers the achievement of the 1955 state treaty his chief claim to fame in history, and he has come to believe he can make Austria a bridge between East and West.

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Director, National Aeronautics and Space Administration

Special Assistant for Security Operations Coordination

Chairman, Board of Consultants on Foreign Intelligence Activities

Special Assistant for Foreign Economic Policy

Executive Secretary, National Security Council

The Treasury Department

The Secretary of the Treasury

The Department of State

The Secretary of State

The Under Secretary of State

The Under Secretary of State for Political Affairs

The Deputy Under Secretary of State for Political Affairs

The Deputy Under Secretary of State for Administration

The Counselor

Director, International Cooperation Administration

The Director of Intelligence and Research

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The Secretary of Defense

The Deputy Secretary of Defense

Assistant Secretary of Defense for International Security Affairs

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